

Exhibit 3: Wildlife Conservation Board Letter



ARNOLD SCHWARZENEGGER, Governor
STATE OF CALIFORNIA-THE RESOURCES AGENCY
DEPARTMENT OF FISH AND GAME
WILDLIFE CONSERVATION BOARD
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NOV 03 2004

Marc Beyeler
State Coastal Conservancy
1330 Broadway, Suite 1100
Oakland, California 94612-2530

Dear Mr. Beyeler:

Natural Community Conservation Planning
Orange and San Diego Counties

By its action on May 14, 2003, the Wildlife Conservation Board (WCB) approved Grant Agreement No. WC-2125DT to the State Coastal Conservancy (SCC) for the purpose of facilitating the acquisition of one or more real properties in conjunction with Natural Community Conservation Plans (NCCP's) approved by the Department of Fish and Game (DFG) prior to January 1, 1999, and located in the Counties of Orange and San Diego.

In conjunction with the grant agreement, the DFG and the U. S. Fish and Wildlife Service (USFWS) identified high priority properties to be acquired using the grant funds. The project list could be expanded to add properties consistent with NCCP's approved by the DFG prior to January 12, 1999, as recommended by the DFG, and upon mutual agreement of WCB and SCC.

Throughout the course of this grant, the WCB and the SCC have worked together to complete the acquisition of four of the five identified properties. Lengthy negotiations to purchase the fifth property, owned by Brookfield Homes and referred to as Hidden Valley, were recently suspended. The list of identified properties was expanded once to partially fund a project by the San Diego River Park-Lakeside Conservancy consisting of 20 acres along the San Diego River.

The DFG and the USFWS have now proposed that the remaining grant funds, in the amount of \$9,707,190.00, be used to assist The Nature Conservancy (TNC) and the County of San Diego in the acquisition of a 4,448± acre property located in Ramona and referred to as the Monte Vista Ranch. This property, identified in the DFG's Conceptual Area Protection Plan for the Iron Mountain area and the County's Multiple Species Conservation Plan, has been a high priority for acquisition for some time. The owner of the property has made application for a tentative map with no certainties, and the appraisers have concluded that the property has long-term residential development potential. The remaining grant funds would provide an opportunity to place this property under permanent protection for open space purposes.

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We are in concurrence with the DFG and the USFWS that this property is a high priority for protection and offer our support to TNC and the County to successfully complete the purchase of the property. As provided in the grant agreement, the project would require the sub-granting of the grant funds to either TNC or the County, subject to approval by the SCC.

Please contact me at (916) 445-0137, or Debbie Townsend at (916) 445-1113, if you have any questions relative to the grant agreement or the use of the grant funds for the Monte Vista Ranch.

Sincerely,
AI Wright
Executive Director